

U.S. Department of Transportation
Office of Public Affairs
1200 New Jersey Avenue, SE
Washington, DC 20590
www.dot.gov/briefing-room.html

News

FRA 15-12

Friday, April 20, 2012

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Department of Transportation Opens Bidding for Made-in-America Passenger Rail Cars

First Multistate Order for Standardized Rail Cars Will Help Boost American Manufacturers

MICHIGAN FAST FACTS:

- Rail car manufacturers will have an opportunity to submit bids to produce the first American-made, standardized passenger rail cars.
- By 2015, Michigan will receive 25 American-made, bi-level rail cars for service on Amtrak's *Wolverine*, *Blue Water* and *Pere Marquette* intercity routes.
- The total cost of all the Michigan rail cars is approximately \$106 million.
- The funding for rail cars produced for Michigan is from the Federal Railroad Administration's High Speed Intercity Passenger Rail Program. No state match will be needed.
- The Michigan Department of Transportation is working with the Michigan Economic Development Corp. to help suppliers find business opportunities.

WASHINGTON – Rail car manufacturers across the country will have an opportunity to submit bids to produce the first American-made, standardized passenger rail cars, U.S. Transportation Secretary Ray LaHood announced today.

The \$551 million Request for Proposals (RFP) to manufacture approximately 130 new bilevel passenger rail cars in America comes from a groundbreaking multi-state effort to jointly purchase standardized rail equipment to be used on Amtrak's intercity routes in California, Illinois, Michigan, Indiana, Missouri, and potentially Iowa. The funding is being provided by the Federal Railroad Administration's High-Speed and Intercity Passenger Rail Program.

"President Obama has called on us to invest in transportation systems that are built to last," said Secretary LaHood. "This important opportunity represents a win-win scenario for both workers and the traveling public by helping to create manufacturing jobs and support passenger rail."

In preparation for orders such as this, the U.S. Department of Transportation has partnered with the Department of Commerce National Institute of Standards and Technology's <u>Manufacturing Extension Partnership</u> (MEP) to connect large car builders and more than 34,000 domestic suppliers, and help them retool their production capabilities to meet demand. The MEP connects suppliers with viable business opportunities that may have otherwise gone to foreign suppliers.

"We've laid a solid foundation in bringing rail equipment manufacturers and suppliers together so we can make these cars in America and create American jobs," said Federal Railroad Administrator Joseph C. Szabo. "As part of the Obama Administration's focus on revitalizing American manufacturing opportunities, building standardized rolling stock will provide an unprecedented opportunity to leverage Buy America requirements, ensuring maximum economic benefit for taxpayer-funded transportation investments."

"The new rail equipment is key to revitalizing our passenger rail service in Michigan," said Timothy Hoeffner, Michigan Department of Transportation, director of the Office of Rail. "It's what the public sees, touches and uses and therefore has a significant impact on the travel experience. The new equipment can't get here soon enough."

The Buy America provision of the RFP requires that all components of the new bi-level cars are built by American workers: with American hands, and with American-produced steel, iron and manufactured goods. The federal government's investment in passenger rail means more jobs for American workers and domestic companies.

The new uniform standards will drive down lifecycle costs and allow more manufacturers and suppliers to compete, fostering a healthy competition while helping re-establish the U.S. domestic supply chain for passenger rail equipment and meet Buy America goals. The common design also makes it easier to train personnel, stock parts, and perform maintenance and repairs, which also reduces costs and increases equipment reliability.

These state-of-the-art cars will be able to operate nationwide, providing a more comfortable travel experience, and are designed with improved crashworthiness and other safety features to ensure passenger safety. The cars will be fully compliant with the Americans with Disabilities Act.

Selection of the manufacturer will occur in the Fall of 2012. The cars will be delivered starting in 2015.

The effort to purchase standardized equipment is led by the Passenger Rail Investment and Improvement Act Section 305 Next Generation Corridor Equipment Pool Committee, comprised of representatives of interested states, the Federal Railroad Administration, Amtrak, host freight railroad companies, passenger railroad equipment manufacturers and suppliers, and other passenger railroad operators. The Committee has also completed specifications for high-performance diesel locomotives that can travel up to 125 miles-per-hour and for single level passenger rail cars.



Multi-State Rail Equipment Procurement Bilevel Passenger Rail Car Request for Proposal Fact Sheet April 20, 2012

The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) is the legislation that established a <u>Next Generation Corridor Equipment Pool Committee</u>. Through a collaborative process, the Committee developed standardized specification for a bilevel passenger rail procurement and to review options to finance, administer and procure standardized next generation corridor equipment.

The Committee is comprised of the Federal Railroad Administration, Amtrak, host freight railroad companies, passenger rail equipment manufacturers and suppliers, interested states and other passenger rail operators.

Grants funded by the Federal Railroad Administration (FRA), Caltrans and Illinois (representing the Midwest states of Illinois, Michigan, and Missouri), will procure the nation's first standardized railcars to improve rail service, expand domestic manufacturing and increase jobs.

New bilevel passenger rail cars will be in service beginning in 2015 in California, Illinois, Michigan, Missouri, Indiana and potentially Iowa.

The RFP calls for 130 new railcars including 88 cars for the Midwest coalition states, and 42 cars for California, including Coaches, Cab/Baggage cars, Cafe/Lounge cars, and Cafe/Business Class cars.

Timeline

The RFP will be released April 20, 2012, with bids due by May 30, 2012. Selection of the manufacturer will occur in the fall 2012, and the cars will be delivered beginning in mid-2015.

Equipment purchased and benefits

- The primary benefit of a multiple state RFP results in a lower per-unit cost for the new railcars – saving taxpayer money.
- The new rail cars will allow California and the Midwest states, including potentially lowa, to expand ridership capacity, increase revenue, reduce operating costs and improve on-time performance.
- The new units will also offer greater bicycle storage and improved passenger amenities, including Wi-Fi.



- This procurement will comply with FRA's "Buy America" provisions, using railcar components manufactured in the United States.
- Future multistate procurements include high performance locomotives that can travel up to 125 mph, and single level passenger cars.

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